APPENDIX A

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 2007-1104

[Filed February 5, 2008]

MONSANTO COMPANY,
Plaintiff-Appellee,

and

MONSANTO TECHNOLOGY LLC,
Plaintiff-Appellee,

v.

LOREN DAVID,
Defendant-Appellant.

Appeal from the United States District Court for the Eastern District of Missouri in case no. 4:04-CV-425, Judge Henry E. Autrey.

Before LOURIE, BRYSON, and MOORE, *Circuit Judges*.

LOURIE, *Circuit Judge*.

Loren David appeals from the final judgment of the United States District Court for the Eastern District of Missouri. On April 20, 2006, the court held that David knowingly infringed U.S. Patent 5,352,605 (the "'605 patent"), and awarded Monsanto Company and Monsanto Technology LLC (collectively "Monsanto") compensatory damages in the amount of $226,214.00. *Monsanto Co. v. David*, 448 F. Supp. 2d 1088, 1094 (E.D. Mo. 2006). On July 25, 2006, the court awarded Monsanto attorney fees, prejudgment interest, and costs, bringing the total damages award to $786,989.43. *Monsanto Co. v. David*, 448 F. Supp. 2d 1095, 1102-03 (E.D. Mo. 2006). Because we hold that the district court correctly held that the '605 patent was infringed, but find that portions of the damages award were clearly erroneous, we affirm in part, vacate in part, and remand.

BACKGROUND

One of the many products that Monsanto sells is Roundup® brand herbicide. Glyphosate-based herbicides, such as Roundup®, kill vegetation by inhibiting the metabolic activity of a particular enzyme, common in plants, that is necessary for the conversion of sugars into amino acids. Herbicides that have glyphosate as the active ingredient are non-selective; that is, they kill all types of plants whether the plant is a weed or a crop.

In addition to developing and selling herbicides, Monsanto sells other products made using biotechnology. Monsanto has developed Roundup Ready® Technology, which involves inserting a chimeric gene into a seed that allows the plant to

advantageously continue to break down sugars in the presence of glyphosate. Crops grown from such seeds are resistant to Roundup® and other glyphosate-based herbicides. When Roundup Ready® seeds are planted and used in conjunction with a glyphosate-based herbicide, Roundup Ready® plants will survive, while weeds and other plants lacking the Roundup Ready® gene will be killed. Monsanto has claimed this technology in the '605 patent.

Roundup Ready® genes have been introduced into numerous agricultural products, including soybeans, the subject of the present case. Monsanto licenses seed companies to incorporate the Roundup Ready® genes into their plants and to sell soybean seeds containing the Roundup Ready® gene. All purchasers of such seeds are required to enter into a Technology Agreement that grants them the right to use the seeds. The Technology Agreement stipulates that buyers may use the seeds for the planting of only a single commercial crop, but that no seeds from that crop may be saved for future harvests. The Technology Agreement assures Monsanto that farmers must purchase new Roundup Ready® seeds each harvesting season, rather than simply saving seeds from the prior year's harvest, as they normally would with conventional soybean seeds. Monsanto also charges a Technology Fee for each unit of Roundup Ready® soybean seeds sold.[1] The Technology Agreement also contains a clause granting Monsanto the full amount

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[1] The Technology Fee for soybean seeds in 2003 was $7.75 per unit.

of its legal fees and other costs that may have to be expended in enforcing the agreement.

David is a commercial farmer who owns soybean fields in North and South Dakota. On May 3, 1999, David executed a Monsanto Technology Agreement. In 2003, David planted the contested soybeans at issue in this case.[2] Monsanto claims that the seeds that David planted were Roundup Ready® soybeans improperly saved from the previous year's harvest, but David claims he did not save any Roundup Ready® seed. It is undisputed that, prior to planting his soybean fields in 2003, David purchased 645 units[3] of Roundup Ready® soybean seeds and it is also undisputed that that amount of seeds alone would have been insufficient to completely plant David's soybean fields in 2003. Also undisputed is the fact that David purchased over 1,000 gallons of glyphosate-based herbicides in 2003, herbicide that would destroy any plants that did not contain the Roundup Ready® gene, and would therefore have destroyed any conventional soybean seeds David planted.

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[2] The 1999 Monsanto Technology Agreement states "this agreement remains in effect until you or Monsanto choose to terminate the Agreement." Neither party in this appeal contends that the 1999 Agreement was not in effect when David planted his fields in 2003.

[3] Roundup Ready® soybeans are typically sold in fifty-pound units, while conventional seeds typically are sold in sixty-pound bushels.

At some time in 2003, Monsanto began to suspect that David had saved soybean seed from his previous year's harvest in violation of the Technology Agreement. In April 2004, after David's 2003 crop had already been harvested and sold, Monsanto obtained samples of the soybean plant material remaining from some of David's fields. On the basis of those tests, on April 12, 2004, Monsanto filed suit for patent infringement, breach of contract, unjust enrichment, and conversion, alleging that David had illicitly saved and planted Roundup Ready® seeds.

A bench trial was held in February 2006 during which Monsanto presented crop insurance records with planting dates provided by David. In those records, David claimed to have planted nearly all of his soybean fields as of May 6, 2003. Monsanto also presented an invoice from Red River Grain for David's purchase of 993 units of Roundup Ready® soybean seed on May 31, 2003, nearly a month after David claimed to have planted the vast majority of his soybean crop for the year. Monsanto argued that that purchase was merely David's attempt to convince Monsanto that he had purchased enough Roundup Ready® seed to plant his crops and that he had not saved any seed.

On April 20, 2006, the district court entered judgment against David. The court found David's claim that he purchased and planted the seeds from Red River Grain more than a month before the date of the invoice to be "unreliable." *David*, 448 F. Supp. 2d at 1091. Furthermore, the court found David's testimony regarding his claimed purchase of conventional herbicides "not believable." *Id.* The court

found David to be unreliable as a witness, and also found that he had failed to overcome the scientific evidence showing that he had planted his soybean fields exclusively with Roundup Ready® seeds, yet he had not purchased sufficient quantities of such seed in 2003 to do so. The court, therefore, held that David had willfully infringed the '605 patent and breached the Technology Agreement by planting saved seed from a prior year's crop. A damages award of $226,214.40 was entered in favor of Monsanto.

After the ruling, Monsanto filed four motions: for attorney fees, prejudgment interest, costs, and treble damages. On July 25, 2006, the court awarded Monsanto an additional $10,000 in enhanced damages in lieu of treble damages, and found that Monsanto was entitled to recover attorney fees in the amount of $323,140.05. The court awarded Monsanto costs in the amount of $164,608.03 pursuant to the Technology Agreement, and, alternatively, costs in the amount of $30,542.99 pursuant to 28 U.S.C. § 1920. Lastly, the court awarded Monsanto prejudgment interest in the amount of $63,026.95. In sum, David was found liable to Monsanto for $786,989.43. David filed two motions to amend the April 20, 2006 judgment, both of which were denied by the court on October 27, 2006.

David timely appealed the district court's judgment. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

DISCUSSION

A. Infringement

The '605 patent claims a gene sequence, not a plant variety or a seed. U.S Patent No. 5,352,605 (filed Oct. 28, 1993). Therefore, David argues that the '605 patent cannot be infringed merely by saving seeds from plants containing the patented gene sequence. David argues that the written description of the '605 patent lacks the specificity that would be required of a patented plant variety under the utility patent statute; thus, the '605 patent is limited to the gene sequence and does not cover the plant containing such a gene. David argues that *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred International, Inc.*, 534 U.S. 124 (2001), stands for the proposition that plants can only receive patent protection under the Plant Patent Act of 1930, 35 U.S.C. §§ 161-164 (the "P.P.A."), the Plant Variety Protection Act of 1970, 7 U.S.C. § 2321 (the "P.V.P.A."), or under a utility patent on a plant variety. A utility patent on a gene sequence, David claims, does not entitle the holder of that patent to enforce its grant of exclusivity against growers of plant varieties that contain the gene sequence.

Monsanto responds by arguing that the holding of *J.E.M.* is the opposite of what David claims it to be; the broad language of 35 U.S.C. § 101 relating to patentable subject matter remains unmodified by the existence of the P.V.P.A. and the P.P.A. Moreover, Monsanto points to various decisions of this court that have read the '605 patent onto plants and seeds containing the patented gene and holding those who save such seeds liable for infringement.

David's brief makes much of the Supreme Court's decision in *J.E.M.* *J.E.M.* involved utility patents issued for corn seed products that were held by Pioneer Hi-Bred International, Inc. The petitioner in *J.E.M.* argued that Pioneer's patents were invalid because plant varieties were only patentable under the P.P.A. or the P.V.P.A. The Supreme Court disagreed, holding that the existence of statutes specifically authorizing the patenting of plants (the P.P.A. and the P.V.P.A.) did not eliminate the availability of utility patent protection covering plants. We disagree also. Contrary to David's arguments on appeal, nothing in *J.E.M.* invalidates or limits the '605 patent or any utility patent on a gene sequence in a seed or a plant. In fact, in *J.E.M.*, the Supreme Court explicitly refused to limit the extent of patentable subject matter: "we decline to narrow the reach of § 101 where Congress has given us no indication that it intends this result." *J.E.M.*, 534 U.S. at 146-47. The '605 patent covering the gene sequence is infringed by planting a seed containing the gene sequence because the seed contains the gene. The gene itself is being used in the planting, an infringing act.

David's real complaint seems to be that he should be able to save seed from his harvest, regardless of Monsanto's patent. We have dealt with this complaint before. *See e.g. Monsanto Co. v. McFarling*, 302 F.3d 1291 (Fed. Cir. 2002). In *McFarling*, we held that a farmer who saved seed containing a patented gene was liable for patent infringement. *Id.* at 1299 (citing *J.E.M.*, 534 U.S. at 604). *McFarling* further established that "the right to save seed of plants registered under the PVPA does not impart the right to save seed of plants patented under the Patent Act."

Id. We note that *McFarling* dealt with the very patent at issue in this case—the '605 patent. We may not disregard a prior decision of this court regarding the same matter.

David next argues that the district court's finding of infringement was clearly erroneous and that there was no evidence from which to infer that he saved Roundup Ready® soybeans from his 2002 harvest for planting in 2003. Additionally, he argues that the district court's admission of expert testimony and exhibits was an abuse of discretion.

Monsanto urges this court to uphold the factual findings of the district court. Monsanto also argues that David ignores Federal Rule of Evidence 703, which allows an expert witness to base his opinion on evidence that itself may be inadmissible.

We review factual findings of the district court for clear error. *Interspiro USA, Inc. v. Figgie Int'l, Inc.*, 18 F.3d 927, 930 (Fed. Cir. 1994). Decisions concerning the admission of evidence, such as expert testimony, are reviewed for abuse of discretion. *U.S. v. Jimenez*, 487 F.3d 1140, 1145 (8th Cir. 2007); *Pietzmeier v. Hennessy Indus., Inc.*, 97 F.3d 293, 296 (Fed. Cir. 1996). When reviewing the evidentiary findings of the district court, we apply the law of the circuit in which the district court sits, *Micro Chem., Inc. v. Lextron, Inc.*, 317 F.3d 1387, 1390-91 (Fed. Cir. 2003), which in this case is the Eighth Circuit.

We agree with Monsanto that the factual findings of the district court were not clearly erroneous. David does not dispute that he planted Roundup Ready®

soybean seeds in 2003; rather, he claims that the Roundup Ready® seeds that he planted were acquired from authorized dealers. To dispute this claim, Monsanto presented scientific field tests demonstrating that David's soybean fields had been planted exclusively with Roundup Ready® soybeans, invoices proving that David had purchased large quantities of glyphosate-based herbicides, government documents of David's planting dates, and evidence that David had not purchased enough Roundup Ready® seeds to fully plant his fields by those dates. In response, David offered inconsistent testimony regarding what he actually planted in 2003. *David*, 448 F. Supp. 2d at 1092. David changed his version of events at least three times, including claiming that he planted only the perimeters of his fields with Roundup Ready® seed, while planting the interior of his fields with conventional seed. *Id.* David's testimony, and that of his daughter, was the only evidence offered to refute Monsanto's case. Due to his continually changing testimony, the court disregarded much of David's testimony. *See id.* Given David's unreliability as a witness, and a complete lack of other evidence supporting his claims, we conclude that the district court did not clearly err in determining that David planted saved seed.

David also argues that the seed report tests conducted by Monsanto and the testimony of Monsanto's expert Koppatschek, which relied on those seed report tests, were improperly admitted at trial. David further argues that had those pieces of evidence been excluded, the court would not have had sufficient evidence from which to find that David saved seed.

David's arguments to exclude Koppatschek's testimony are unpersuasive. Rule 702 of the Federal Rules of Evidence allows expert testimony if "(1) the testimony is based upon sufficient facts or data, (2) the testimony is the product of reliable principles and methods, and (3) the witness has applied the principles and methods reliably to the facts of the case." Fed. R. Evid. 702. David does not suggest that Koppatschek's testimony is unreliably applied or based on unreliable methods or insufficient data; rather, he challenges Koppatschek's reliance on the seed report tests that were produced by Monsanto's scientific team, but not by Koppatschek personally.

David's challenge fails, however, because the Federal Rules of Evidence establish that an expert need not have obtained the basis for his opinion from personal perception. *See e.g.*, *Sweet v. United States*, 687 F.2d 246, 249 (8th Cir. 1982); *Data Line Corp. v. Micro Techs., Inc.*, 813 F.2d 1196, 1200-01 (Fed. Cir. 1987). Likewise, numerous courts have held that reliance on scientific test results prepared by others may constitute the type of evidence that is reasonably relied upon by experts for purposes of Rule of Evidence 703. *See e.g.*, *Ratliff v. Schiber Truck Co.*, 150 F.3d 949, 955 (8th Cir. 1998) (holding that expert testimony regarding a report prepared by a third party was properly allowed); *see also Gussack Realty Co. v. Xerox Corp.*, 224 F.3d 85, 94, 95 (2d Cir. 2000) (finding that testimony was properly admitted from an expert who did not conduct his own tests). "Unlike an ordinary witness, *see* Rule 701, an expert is permitted wide latitude to offer opinions, including those that are not based on first hand knowledge." *Daubert v. Merrell Dow Pharm. Inc.*, 509 U.S. 579, 592 (1993).

Koppatschek's reliance on the scientific reports prepared by his team is therefore the type of reliance that is reasonable for expert witnesses. Furthermore, Koppatschek's testimony is admissible, regardless of the admissibility of the seed report.[4] Rule 703 expressly authorizes the admission of expert opinion that is based on "facts or data" that themselves are inadmissible, as long as the evidence relied upon is "of a type reasonably relied upon by experts in the particular field in forming opinions." Fed. R. Evid. 703. The tests conducted in this case are certainly of the type relied upon by experts, and Koppatschek's testimony was therefore admissible.

B. Damages

David also appeals the district court's damages calculation. The district court awarded Monsanto a reasonable royalty for David's infringing use of the '605 patent, enhanced damages, attorney fees, costs, and prejudgment interest. David challenges the attorney fees and cost awards, as well as the reasonable royalty, but does not challenge the enhanced damages or prejudgment interest. We review the district court's damages decision for an "erroneous conclusion of law, clearly erroneous factual findings, or a clear error of judgment amounting to an abuse of

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[4] We need not decide whether the seed report itself was admissible, nor does it appear that David makes this argument on appeal. Even assuming, *arguendo*, that it was improperly admitted, in this case it is cumulative and does not appear to have had any prejudicial effect; it was therefore harmless error. *See ATD Corp. v. Lydall, Inc.*, 159 F.3d 534, 550 (Fed. Cir. 1998).

discretion." *Golight, Inc. v. Wal-Mart Stores, Inc.*, 355 F.3d 1327, 1338 (Fed. Cir. 2004) (citing *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999).

1. Attorney Fees and Costs

On appeal, David makes four arguments for reducing or eliminating the district court's award of attorney fees and costs. First, he argues that this is not an exceptional case as required for the award of attorney fees under 35 U.S.C. § 285. Second, he argues that the attorney fee provision in the Technology Agreement is unenforceable because that provision appears on the reverse side of the agreement, while the signature page is on the front. Third, David claims that the amount of the attorney fee award ($323,140.05) does not bear a reasonable relation to the result achieved as required under *Perricone v. Medicis Pharmaceutical Corp.*, 432 F.3d 1368 (Fed. Cir. 2005). And fourth, David urges this court to limit the amount of attorney fees awarded under the Technology Agreement to an amount that would be recoverable under 35 U.S.C. § 285 and 28 U.S.C. §§ 1920, 1821(b).

In reply, Monsanto maintains that the district court had ample reason to conclude that David's case was "exceptional." According to Monsanto, David's "deceitful" litigation tactics prolonged Monsanto's case and increased its fees and costs, and the district court was within its discretion to award additional fees to Monsanto. Furthermore, Monsanto argues that David's legal arguments limiting the attorney fees and costs are without merit.

We review a finding that a case is "exceptional" for clear error. *Perricone*, 432 F.3d at 1380. We review an award of attorney fees in an exceptional case for abuse of discretion. *Id.*

We agree with Monsanto that the district court's decision to award attorney fees was not an abuse of discretion. David knew that saving seed was a violation of the Technology Agreement, yet he did so anyway. *David*, 448 F. Supp. 2d at 1099. He attempted to cover up his infringement and deceive Monsanto. *Id.* This is not a case of a farmer unknowingly infringing a patent. It is a case of a farmer with apparent disregard for patent rights, license agreements, and the judicial process. With that in mind, as well as the record evidence of David's inconsistent testimony, we agree with the district court that this is an "exceptional" case under *Perricone*, and we find that the awarding of attorney fees was within the discretion of the district court.

David's argument that the contractual provision is invalid also fails. We have decided this same issue—whether contractual provisions appearing on the back of a contract are enforceable—in a case involving a nearly identical Technology Agreement. In *McFarling*, we held that, absent a showing of fraud, a "party who signs an agreement is bound by its terms." *McFarling*, 302 F.3d at 1295-96. We see no reason to deviate from that ruling here, and David has not claimed that his signing of the Technology Agreement was fraudulently procured.

Lastly, we reject David's argument that the attorney fees and costs stipulated to in the Technology

Agreement are limited by statute. David urges this court to limit attorney fees to those recoverable under 35 U.S.C. § 285. He also urges us to limit the award of costs to the amount available under 28 U.S.C. § 1920. David's use of 35 U.S.C. § 285 in this case, however, is inapposite. That statute awards attorney fees to patent holders like Monsanto, but the Technology Agreement here also does. Having violated the Technology Agreement, there is no reason why its attorney fee provision cannot be enforced.

Similarly, 28 U.S.C. § 1920 does not set maximum costs around which private parties may not contract. *See e.g.*, *TCBY Sys., Inc. v. RSP Co.*, 33 F.3d 925 (8th Cir. 1994). That statute limits the amount that federal courts may tax as costs in the absence of "explicit statutory or *contractual authorization* to the contrary." *U.S. v. Mink*, 476 F.3d 558, 564 (8th Cir. 2007) (emphasis added) (quoting *U.S. v. Hillard*, 909 F.2d 1114, 1142 (8th Cir. 1990)). Having held that David breached the Technology Agreement, there is no reason that the amount of contractual costs authorized therein should be limited by § 1920. Thus, the costs agreed to in the Technology Agreement are enforceable, even though those costs exceed the costs recoverable under § 1920.

The district court awarded Monsanto the full amount of its requested costs pursuant to the Technology Agreement; $164,608.03. The district court alternatively awarded Monsanto costs of $30,542.99, the amount requested under 28 U.S.C. § 1920. Those costs appear to be duplicative of the Technology Agreement costs award granted to Monsanto and therefore are not recoverable in light of our affirmance

of the Technology Agreement costs award. There is no basis for a double assessment of costs.

We therefore affirm the district court's award to Monsanto of $10,000 in enhanced damages, $164,608.03 in costs, and $323,140.05 in attorney fees.

2. Reasonable Royalty

David next argues for a reduction of the district court's infringement damages award. David argues that the number of infringing units of seed that the district court found he had planted (4,110 units) was not supported by the evidence. He also claims that the reasonable royalty awarded for each unit ($55.04) was not supported by the evidence, that the court's adoption of that figure was a violation of the doctrine of collateral estoppel, and that the court should have used the $7.75 Technology Fee as the reasonable royalty figure.

Monsanto counters that the number of infringing seed units planted by David was correctly calculated by the district court, and that the district court properly relied on expert testimony in arriving at the 4,110 unit figure. Monsanto also notes that the royalty for each unit of seed is the same as that upheld in *Monsanto Co. v. McFarling*, 488 F.3d 973 (Fed. Cir. 2007), cert. denied, 2008 WL 59323 (Jan. 7, 2008) ("*McFarling III*"), and *Monsanto Co. v. Ralph*, 382 F.3d 1374 (Fed. Cir. 2004), and should thus be upheld here as well.

At trial, Monsanto's expert testified that after applying the multi-factor *Georgia Pacific* test he

calculated a reasonable royalty for David's infringement at $66 per bag. The district court, however, relying on this court's decision in *Ralph*, awarded a $55.04 royalty instead. *David*, 448 F. Supp. 2d at 1093; *see Ralph* 382 F.3d at 1383. David's argument that the court should have adopted the technology fee paid on each purchase of Roundup Ready® soybean has come before this court previously in both *Ralph* and *McFarling III*. As in those cases, we reject the argument here. *Ralph* held that the Technology Fee is "not an established royalty for planting . . . saved seed." *Ralph*, 382 F.3d at 1384. David argues that his case is distinguishable from *Ralph* due to the fact that there is no evidence that David, unlike Ralph, transferred seed to others. Regardless of any perceived difference in the relative levels of culpability between David and Ralph, our decision in *Ralph* stands for the fact that the Technology Fee is not an established royalty for the infringing act of saving seed. As for the specifics of this case, the district court was within its discretion to rely on the only reasonable testimony presented to it, that of Monsanto's expert. Furthermore, we do not see how the court's reduction of the royalty from $66.00 to $55.04 implicates the doctrine of collateral estoppel. We therefore uphold the district court's finding of a royalty of $55.04 per unit.

In calculating the number of infringing seed units planted by David, the district court had the difficult task of determining the total soybean acreage planted by David in 2003 and the density of seed used in those

fields.[5] David does not challenge the district court's finding that he planted a total of 2,222 acres in 2003. He does, however, challenge the district court's finding of an average planting density of 107.5 pounds per acre. To arrive at that figure, the district court averaged two density figures offered at trial; Monsanto's expert Koppatschek established a planting rate of 95 pounds per acre, based on samples taken from David's fields, and David offered a high estimate of 120 pounds per acre during a deposition taken on November 9, 2004. David argues that the density calculated by the district court was not supported by the evidence and furthermore that the evidence supports a much lower figure.

Monsanto counters that the density calculation is supported both by expert testimony and David's own testimony at deposition. Monsanto claims that the testimony David cites as supporting a lower density figure was based on merely hypothetical discussions of soybean farming generally, and not related to the specifics of David's actions in 2003.

On this point, we agree with David that the density calculation was clearly erroneous. In so concluding, we appreciate the difficulty faced by the district court in

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[5] The district court multiplied David's soybean acreage by the planting density to obtain the total weight of soybean seeds planted. The court then divided that total by fifty pounds to obtain the total number of soybean units planted. Subtracting the 645 units legitimately purchased before planting, the court obtained the total infringing units. Multiplying that number by the reasonable royalty ($55.04/bag), the court obtained the final damage figure.

arriving at a density figure in this case. In arguing for reduction of the density calculation, David's appellate brief lists at least four different rates at which he claimed to have planted soybeans, ranging from three-quarters of a unit (37.5 pounds) to one and one-half units (75 pounds). The record demonstrates that much of this confusion stemmed from the different planting rates used for conventional soybean seeds and Roundup Ready® seeds, due both to the better yield and the higher price of the Roundup products. The confusion, certainly, also stemmed from David's unreliability, as noted by the district court and as evidenced throughout the record.

However, David's estimate of 120 pounds per acre, when properly read in context, did not refer to the density of his Roundup Ready® planting. In the testimony at issue, there was some confusion between David and the questioning attorney as to the type of seed being referred to. In fact, immediately following David's response there was a discussion between Monsanto's attorney and David's attorney as to which type of seed was being referenced. Directly following this exchange, Monsanto's attorney rephrased his question and directly referenced Roundup Ready® seed. David answered that the density "could be like a unit," or fifty pounds. In all of David's extensive previous testimony, he testified that the upper limit for his planting of Roundup Ready® seed never exceeded one and one-half units (seventy-five pounds). The 120 pound density figure David offered clearly was not based on Roundup Ready seed, but rather conventional seed. The use of this anomalous 120 pound figure, in a confused context, amounted to clear error.

We thus remand to the district court for additional fact finding concerning the Roundup Ready® soybean density in David's fields in 2003. We note that there was testimony on the record in which David directly addressed his Roundup Ready® soybean planting rate; this testimony varied widely, but seems to have ranged from three-quarters of a unit (37.5 pounds) to one and one-half units (75 pounds). Use of any of those figures, which are explicitly directed to the density of Roundup Ready® soybeans, would be appropriate. Additionally, we find that, although the court's use of David's estimate of 120 pounds per acre was clearly erroneous, the court's use of the 95 pounds per acre figure arrived at by Monsanto's expert, Koppatschek, was not. Should the court decide that David's testimony on this issue was so unreliable as to be without value, the court would be well within its discretion to adopt the figure obtained by Koppatschek. The district court should make this determination, however, not this court, following which the reasonable royalty calculation outlined in footnote 5 should be followed.[6]

CONCLUSION

Accordingly, we affirm the district court's finding of infringement of the '605 patent, the court's award of attorney fees, costs, enhanced damages, and prejudgment interest, and the court's reasonable royalty calculation of $55.04 per unit. We vacate the district court's calculation of seed density of 107.5

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[6] In light of our adjustment of the total damages awarded, the district court should adjust the amount of prejudgment interest accordingly.

pounds per acre. The case is remanded to the district court for further proceedings consistent with this opinion.

AFFIRMED IN PART, VACATED IN PART, and REMANDED

APPENDIX B

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Case No. 4:04CV425 HEA

[Filed October 27, 2006]

MONSANTO COMPANY and MONSANTO TECHNOLOGY LLC Plaintiffs,	)
vs.	)
LOREN DAVID, Defendant.	)

OPINION, MEMORANDUM AND ORDER

This matter is before the Court on defendant's Rule 59 Motion to Take Additional Evidence and Make New Findings of Fact and Conclusions of Law, [Doc. No. 258] and defendant's Amended and Supplemental Rule 59 Motion to Take Additional Evidence and Make New Findings of Fact and Conclusions of Law, [Doc. No. 260]. Plaintiffs oppose these motions. For the reasons set forth below, the Motions are denied.

In his initial motion, defendant asks the Court to reconsider its ruling of October 19, 2005, in which the Court denied defendant's motion for permission to take the depositions of Douglas Miller and Russell Rasmussen for use at trial. He also asks the Court to change the September 14, 2006 Order and the Judgment in which the Court awarded plaintiffs' costs under 28 U.S.C. § 1920 and pursuant to the Contract between the parties. In the supplemental Motion, defendant asks the Court to reconsider its denial of his motion for permission to take the deposition of Chad Friese for use at trial and the Order granting plaintiffs' Motion to Exclude Testimony at Trial from Chad Friese, Douglas Miller and Russell Rasmussen.

In support of these motions, defendant does not argue that the Court made a mistake as to law or fact, rather, defendant argues that now that the Court has heard the evidence at trial, it is in a better position to see the importance of the testimony of these individuals. He urges reconsideration based on what he believes to be significant testimony which was excluded because of the failure to disclose these individuals through the discovery process in this case. He claims that allowing the reopening of testimony to allow the taking of depositions will result in preventing manifest injustice.

District courts enjoy broad discretion in ruling on such motions. *See Concordia College Corp. v. W.R. Grace & Co.*, 999 F.2d 326, 330 (8th Cir.1993). Rule 59(e) states that "[a]ny motion to alter or amend a judgment shall be filed no more than 10 days after the entry of the judgment." Fed.R.Civ.P. 59(e). The Eighth Circuit has explained that Rule 59(e) "was adopted to

clarify a district court's power to correct its own mistakes in the time period immediately following entry of judgment." *Innovative Home Health Care v. P.T.--O. T. Assoc. of the Black Hills,* 141 F.3d 1284, 1286 (8th Cir. 1998)(quoting *Norman v. Arkansas Dep't of Educ.*, 79 F.3d 748, 750 (8th Cir. 1996)). Motions under Rule 59(e) serve the limited function of correcting "'manifest errors of law or fact or to present newly discovered evidence.'" *Id.* (quoting *Hagerman v. Yukon Energy Corp.*, 839 F.2d 407, 414 (8th Cir. 1988)). "Such motions cannot be used to introduce new evidence, tender new legal theories, or raise arguments which could have been offered or raised prior to entry of judgment." *Id.* Rule 59(e) motions are not proper vehicles for raising new arguments or legal theories. *Capitol Indemnity Corp. v. Russellville Steel Co., Inc.*, 367 F.3d 831, 834 (8th Cir.2004). Rule 59(e) motions serve the limited function of correcting manifest errors of law or fact or to present newly discovered evidence. *Id.* (citations and quotations omitted).

In this case, defendant, not so curiously, disagrees with the Court's rulings regarding whether to allow testimony from persons not identified in discovery. The Court has reviewed the pleadings, the record and these rulings and finds no manifest errors of law or fact which would justify granting a Rule 59(e) motion to amend or alter its prior judgment. Defendant simply points, without real authority, to what *he* believes should have been allowed by way of testimony. Without even addressing the issue of whether the testimony would have been admitted under the rules of evidence, the Court has already considered the request to allow the testimony and has denied the

requests. The Court finds no manifest errors of law or fact in its decisions. Thus, there is no reason for amending the judgment in this case.

Defendant's motion to alter the judgment with regard to the award of costs is unnecessary. In its Orders, the Court made clear that the two separate awards were alternative awards and that plaintiffs are only entitled to a single recovery of costs, whether under the terms of the parties' Contract or pursuant to 28 U.S.C. § 1920. It is abundantly clear that plaintiffs are not entitled to recover costs in excess of those actually incurred and plaintiffs are required under this Court's Orders and Judgment to make an election as to these awards.

Accordingly,

IT IS HEREBY ORDERED that defendant's Rule 59 Motion to Take Additional Evidence and Make New Findings of Fact and Conclusions of Law, [Doc. No. 258] and defendant's Amended and Supplemental Rule 59 Motion to Take Additional Evidence and Make New Findings of Fact and Conclusions of Law, [Doc. No. 260], are denied.

Dated this 27th day of October, 2006.

/s/
HENRY EDWARD AUTREY
UNITED STATES DISTRICT JUDGE

APPENDIX C

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Case No. 4:04CV425 HEA

[Filed September 14, 2006]

MONSANTO COMPANY and MONSANTO TECHNOLOGY LLC Plaintiffs,	)
vs.	)
LOREN DAVID, Defendant.	)

JUDGMENT

In accordance with the Opinions, Memoranda and Orders entered in this matter,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that plaintiffs are awarded a reasonable royalty for defendant's knowing infringement of Monsanto's patent in the amount of $226,214.40.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that plaintiffs are entitled to recover its legal fees in the amount of $323,140.05.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that plaintiffs' are awarded prejudgment interest in the amount of $63,026.95

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that plaintiffs are awarded enhanced damages in the amount of $10,000 additional damages.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that costs are taxed in the amount of $30,542.99, pursuant to 28 U.S.C. § 1920.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that plaintiffs are awarded costs and expenses pursuant to the parties' Technology Agreement in the amount of $164,608.03.

Dated this 14th day of September, 2006.

/s/
HENRY EDWARD AUTREY
UNITED STATES DISTRICT JUDGE

APPENDIX D

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Case No. 4:04CV425 HEA

[Filed July 25, 2006]

MONSANTO COMPANY and MONSANTO TECHNOLOGY LLC Plaintiffs, vs. LOREN DAVID, Defendant.	)

OPINION, MEMORANDUM AND ORDER

This matter is before the Court on Plaintiffs' (Monsanto) Motion for Attorneys' Fees Pursuant to 35 U.S.C. § 285, [Doc. No. 200]; defendant's Motion for Amendment of April 20, 2006 Opinion, Memorandum and Order, [Doc. No. 202]; defendant's Second Motion for Amendment of April 20, 2006 Opinion, Memorandum and Order, [Doc. No. 212]; plaintiffs' Motion for Prejudgment Interest, [Doc. No. 203]; plaintiffs' Motion for Treble Damages Pursuant to 35 U.S.C. § 284, [Doc. No. 206]; plaintiffs' Motion for Bill

of Costs, [Doc. No. 208], and defendant's Rule 59(e) Motion to Alter or Amend Award of Contract Attorneys' Fees and Costs in April 20, 2006 Opinion, Memorandum and Order, [Doc. No. 241].

Motion for Treble Damages Pursuant to 35 U.S.C. § 284

Monsanto seeks treble damages, because of the Court's finding that defendant's infringement was willful. Under 35 U.S.C. § 284, when there is willful patent infringement, the Court may "increase the damages up to three times the amount found or assessed." The parties urge the Court to make the determination of whether to assess enhanced damages in accordance with the factors set out in *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 826 (Fed.Cir.1992). The parties differ, however, as to the application of those factors to this case.

In making the determination, the Court must consider "factors that render defendant's conduct more culpable, as well as factors that are mitigating or ameliorating." *Id. Read* examined a number of cases and listed nine factors that may appropriately be considered, including:

> (1) whether the infringer deliberately copied the ideas or design of another;
>
> (2) whether the infringer, when he knew of the other's patent protection, investigated the scope of the patent and formed a good-faith belief that it was invalid or that it was not infringed;

(3) the infringer's behavior as a party to the litigation;

(4) defendant's size and financial condition;

(5) closeness of the case;

(6) duration of the defendant's misconduct;

(7) remedial action by the defendant;

(8) defendant's motivation for harm; and

(9) whether defendant attempted to conceal its misconduct.

Read, 970 F.2d at 827.

Whether defendant deliberately copied the ideas or design of Monsanto

Defendant argues that this factor does not apply in this case because it is aimed at engineers or companies that employ engineers. Defendant, however, does not support this position with any authority upon which he relies. The Court is not convinced that this factor is limited to engineers and/or companies employing engineers, rather, the factor goes to the issue of whether the infringer took the patented idea and/or design of the patent holder. In this instance, it is clear that defendant "copied" Monsanto's patented design, *i.e.* the herbicide resistant soybean seeds. See, *Monsanto v. Ralph*, Cause No 4:00CV135 RWS, Transcript of Hearing, June 17, 2003. As such, this factor weighs in favor of enhanced damages.

Whether Defendant investigated the Scope of the Patent and formed a good faith belief that it was invalid or that it was not infringed

Defendant again argues that this factor is not aimed at "a North Dakota farmer." In attempting to convince the Court that this factor does not support enhanced damages, defendant urges that he never denied that he knew Roundup Ready seed was patented. This argument, however, goes to the very issue of factor two. Defendant knew that the seed was patented, he was also aware that he was forbidden from saving the seed and planting the saved seed. Knowledge and scope of the patent, at least to that extent, was known to defendant, and in saving seed, defendant knew that he was infringing.

The infringer's behavior as a party to the litigation

Throughout the course of this litigation, defendant presented various renditions of how and when he planted his fields and purchased seed and herbicides. Several "mistakes" of the dates of purchases were presented in an effort to establish that defendant did not in fact save seed. However, as the Court has previously found, these "mistakes" were not credible in light of the entire record. As such, defendant's behavior as a party to the litigation favors enhanced damages.

Defendant's size and financial condition

Monsanto argues that defendant has large amounts of land and that he received substantial subsidies from

the government in relation to that land and crop production. Further, Monsanto argues that defendant's size and financial condition cannot be adequately assessed because of defendant's failure to provide information regarding his finances.

Clearly defendant's financial condition will be substantially effected by the Court's ruling with respect to liability. Furthermore, it cannot be ignored that defendant operates his farming operation by himself, with the assistance of his family. Based on the information before the Court, the Court is persuaded, therefore that defendant's size and financial condition should **not** support a finding of enhanced damages.

Closeness of the case

After consideration of the entire record, the Court finds that this was not a "close" case. Monsanto's evidence established that defendant was infringing Monsanto's patent. Defendant's efforts in defending the case were a compilation of varying explanations attempting to "prove" he did not infringe. Monsanto presented unbiased evidence that defendant's fields were planted with Roundup Ready soybeans. Defendant consistently urged he did not, however, his explanations were not consistent. This factor supports enhanced damages.

Duration of the defendant's misconduct

Although Monsanto argues that it is clear that defendant has been infringing prior to 2003, the only evidence before the Court is what was presented and

proven at trial, *i.e.*, that the defendant's infringement was for the 2003 growing season.

Remedial action by the defendant

There is no evidence of any remedial action by the defendant. Quite the contrary, defendant's actions prior to and throughout this litigation demonstrate a that defendant took no remedial action.

Defendant's motivation for harm

The Court can only speculate that defendant's motivation for the infringement was to save money in not purchasing new seed and using saved seed. This motivation weighs in favor of enhanced damages, but there is no clear evidence to establish this in light of defendant's continued denial of wrong-doing.

Whether defendant attempted to conceal his misconduct

This factor has been established through the evidence presented by Monsanto at trial. Although defendant clearly knew he was not at liberty to save the seed, the evidence established that he in fact saved and replanted the seed, hence the Court's finding of willful infringement. Defendant presented various explanations of his actions, all clearly motivated by the attempt to conceal his infringement.

Based on the application of the *Read* factors to the evidence and record before the Court, enhanced damages are appropriate. The Court finds, however, that treble damages are not. As previously stated,

defendant will be substantially effected by the damages awarded in this matter. Furthermore, pursuant to this Court's previous orders and rulings herein, defendant will be required to pay attorneys' fees, interest and costs. Even though the Court finds that enhanced damages are appropriate for defendant's willful violation of the patent, the imposition of treble damages is too harsh a remedy. **Accordingly**, the Court awards Monsanto enhanced damages in the amount of $10,000.

Motion for Attorneys' Fees Pursuant to 35 U.S.C. § 285

The Court may also award attorneys fees in an "exceptional case." 35 U.S.C. § 285.

> The decision to award attorney fees under 35 U.S.C. § 285 in "exceptional" cases is discretionary with the trial court judge. *Beckman Instruments, Inc. v. LKB Produkter AB*, 892 F.2d 1547, 1551 (Fed.Cir.1989). "Among the types of conduct which can form a basis for finding a case exceptional are willful infringement, inequitable conduct before the P.T.O., misconduct during litigation, vexatious or unjustified litigation, and frivolous suit." *Id.* at 1551.

Amsted Industries Inc. v. Buckeye Steel Castings Co., 23 F.3d 374, 376 (Fed.Cir.1994). Again, the cases have described a two-step process for determining whether to award fees: the court must first determine whether a case is exceptional, and then the court must determine whether attorney fees are appropriate.

Cybor Corp. v. FAS Technologies, Inc., 138 F.3d 1448, 1460 (Fed.Cir.1998). See also, *Agfa Corp. v. Creo Products Inc.*, (Fed. Cir. 2006).

After considering the evidence presented and defendant's actions prior to and throughout this litigation, the Court concludes that this is an exceptional case. Monsanto's enforcement of its patent rights efforts were continuously thwarted by defendant's ever changing position as to his farming practices. Each step of Monsanto's investigation was hindered by defendant. While Monsanto is entitled to protect its patent, and required defendant to execute agreements not to infringe in exchange for the license to use its patent, Monsanto's efforts were in vain with regard to defendant. He knew he was not at liberty to save seed, yet he did so. He knew Monsanto had discovered his infringement and he proceeded to attempt to cover it up. Defendant's actions were willful in the planting of saved seed and were calculated to try to avoid liability after his infringement was discovered. Defendant has not once admitted that any of the actions taken regarding his 2003 growing season were not proper. As discussed, *supra*, this was not a close case. Defendant's different explanations of what had occurred demonstrate defendant's intent to try to deceive Monsanto as to his use of saved seed. The Court, therefore finds an award of attorneys' fees is appropriate.

The Court will reserve ruling as to the amount of fees to be awarded until such time as plaintiff responds to defendant's chronological objections to Monsanto's verified statement of attorneys' fees.

Motions to Amend April 20, 2006 Opinion, Memorandum and Order and Rule 59(e) Motion to Alter or Amend Award of Contract Attorneys Fees and Costs in April 20, 2006 Opinion, Memorandum and Order

Defendant asks the Court to amend its April 20, 2006 Opinion, Memorandum and Order as to the finding that Monsanto is entitled to attorneys' fees and costs pursuant to the parties' contract, and to amend the Order to reduce the assessed royalty of $55.00 per bag of saved seed.

Attorneys' Fees and Costs

Defendant argues that Monsanto's attorneys fees and costs are limited to those fees and costs recoverable under 35 U.S.C. § 285 and 28 U.S.C. §§ 1920 and 1821(b) and that the contract provision is not enforceable because it was on the back side of the document, the side of the document which he did not sign.

Enforceability

Defendant argues that the contract provision in which it was agreed that Monsanto would be entitled to recover its attorneys' fees and other costs should not be enforced because it was on the back side of the Technology Agreement and as such, he was unaware of it. He further argues that the clause regarding attorneys' fees and costs was in the "fine print" and that the front side of the document, which included the statement that defendant "acknowledged] that [he has] read and understood] the terms and conditions of this

Agreement and that [he] agree[d] to them" was also in small print, and no attention was drawn to this provision on the front side of the document. Since defendant claims he was unaware of the backside provision, he argues that he is not bound by the provision.

Monsanto counters this argument by directing the Court's attention to this exact issue decided by the Federal Circuit in *Monsanto v. McFarling*, 302 F.3d 1291 (Fed. Cir. 2002). In *McFarling*, the Court found that "[a] party who signs an agreement is bound by its terms, unless he was fraudulently induced not to read it or was fraudulently misled as to its content or significance." *Id.*, at 1295. There is no evidence in the record before the Court that defendant was fraudulently induced not to read the Technology Agreement, nor is there evidence that defendant was fraudulently misled as to the Agreement's contents ro significance. Defendant's arguments regarding the placement and size of the attorneys' fees and costs provision are unpersuasive in light of the *McFarling* Court's holding and reasoning therefore.

Limitation of Attorneys' Fees and Costs

Defendant urges the Court to Amend the award of contract attorneys' fees and costs in the Opinion, Memorandum and Order entered on April 20, 2006, to limit those fees under the provisions of 35 U.S.C. § 285 and 28 U.S.C. §§ 1920 and 1821(b). With respect to limitation under 35 U.S.C. § 285, the Court has herein found this to be an exceptional case, and that Monsanto is entitled to attorneys' fees in accordance with Section 285. Therefore, the motion appears to be

moot as to that limitation. Inherent in the parties' agreement is that the attorneys' fees are "reasonable," as are the attorneys' fees awarded pursuant to 35 U.S.C. § 285.

Furthermore, the Court agrees with Monsanto that the parties to a contract can agree to an award of attorneys' fees and costs to a prevailing party incurred through enforcing the provisions of the contract. "Missouri law permits an award of attorneys' fees in a variety of circumstances, *see Skyles v. Burge,* 830 S.W.2d 497, 499 (Mo.Ct.App.1992), including when a contract provides for such an award, *see Jackes-Evans Mfg. Co. v. Christen,* 848 S.W.2d 553, 557 (Mo.Ct.App.1993); *Gibson v. Gibson*, 687 S.W.2d 274, 277 (Mo.Ct.App.1985)." *Farmland Industries, Inc. v. Frazier-Parrott Commodities,* 111 F.3d 588, 591 (8th Cir. 1997). See also *TCBY Systems, Inc. V. RSP Co., Inc.,* 33 F.3d 925, 931 (8th Cir. 1994)(costs).

The Technology Agreements' provisions regarding costs and attorneys' fees are not contrary to 35 U.S.C. § 285 and 28 U.S.C. §§ 1920 and 1821. As plaintiff correctly argues, defendant's reliance on the cited cases is misplaced. Defendant seeks to limit the award of costs and attorneys' fees based on cases which involve regulatory statutes. The Court agrees that in the context of a *regulatory statute*, the parties are not at liberty to defeat that statute's application by private contractual provisions, *Connolly v. Pension Benefit Guaranty Corp.*, 475 U.S.211, 223-24 (1986). No regulatory statute is at issue here, rather, the statutes under which defendant is seeking to limit the award of costs and attorneys' fees are statutes which provide alternative awards of costs and attorneys' fees. With

regard to attorneys' fees, in the absence of the Technology Agreement, the statute, 35 U.S.C. § 285, provides the patent holder, in exceptional circumstances, its attorneys' fees for infringement when such fees are not ordinarily awarded.

Costs are therefore awarded pursuant to the Technology Agreement in the amount of $164,608.03, as requested in Monsanto's Bill of Costs.

Reduction of Royalty

Defendant also asks the Court to reduce the award of $55.04 per bag of saved soybean seed. Defendant has presented nothing to establish that this amount "shocks the conscience" so that it should be reduced. See, *Monsanto v. Ralph*, 382 F.3d 1374, 1384.

Motion for Prejudgment Interest

Monsanto seeks prejudgment interest in the amount of $63,026.95. Monsanto has submitted a schedule showing that this interest was calculated at prime rate, compounded annually, and beginning on May 1, 2003 ending on June 1, 2006.

General Motors Corp. v. Devex Corp., 461 U.S. 648 (1983), held that prejudgment interest should ordinarily be awarded in patent cases, but that such an award is not automatic. "For example, it may be appropriate to limit prejudgment interest, or perhaps even deny it altogether, where the patent owner has been responsible for undue delay in prosecuting the lawsuit. There may be other circumstances in which it may be appropriate not to award prejudgment

interest." *Bio-Rad Laboratories, Inc. v. Nicolet Instrument Corp.*, 807 F.2d 964, 967 (Fed. Cir. 1986). Applying these standards, the Court concludes that there are no circumstances precluding awarding prejudgment interest. Prejudgment interest is awarded at 9%, the simple prejudgment rate, in accordance with 35 U.S.C. § 284 in the amount of $63,026.95.

Motion for Bill of Costs: 28 U.S.C. § 1920

In addition to costs in accordance with their Technology Agreement, Monsanto seeks its costs pursuant to 28 U.S.C. § 1920. Defendant objects to the Bill of Costs submitted by plaintiff. Costs are taxed pursuant to 28 U.S.C. § 1920 as follows:

Fees for service of summons and subpoena: $435.60

Fees of the court reporter for all or any part of transcripts necessarily obtained for use in the case: $12,765.15.[1]

Defendant objects to this amount because plaintiff did not designate whether the transcripts were originals or copies, or for how many copies, or what

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[1] Exhibit B details the transcripts. The total amount according to Exhibit B for transcripts is $12,765.15. However, the Court's calculations total $13,603.35. This discrepancy appears to be a failure to include the last transcript charge of $838.20. Because plaintiff has requested $12,765.15, the Court will assume plaintiff is not requesting this amount.

part of the transcript was necessarily obtained for use in the case. Counsel for plaintiff represents to the Court that these amounts are for transcripts obtained for use in the case; defendant has produced no evidence that counsel's representation is inaccurate. As such, the Court finds the amount taxable.

Fees and disbursements for printing: $1,008.38.

Fees for witnesses:

Defendant objected to Monsanto's request for witness fees in the amount of $104,979.31. In response, Monsanto argued that it would be entitled to this amount pursuant to 28 U.S.C. § 1821. Monsanto, however, advises the Court that "[e]ven though Monsanto would still be entitled certain witness fees pursuant to 28 U.S.C. § 1920 analysis, Monsanto will eliminate these fees from the alternative calculation of costs." In light of this, the Court will tax no costs for witness fees under 28 U.S.C. § 1920.

Fees for exemplification and copies of papers necessarily obtained for use in the case: $17,792.83.

The Court agrees with Monsanto that the fees for copies in this particular case is proper. Although defendant objects to these fees, the Court is cognizant of all the exhibits used in this case and throughout its pendency. Monsanto was required to obtain copies of documents from outside sources in addition to copying various documents in support of its position. Voluminous exhibits were listed on the Trial Exhibit list, which were required in order to overcome

defendant's various defense tactics. As such, the Court finds that Monsanto is entitled to the amount of fees requested for copies and exemplification.

Other costs: Monsanto again advises the Court that it agrees that the other costs in the amount of $27,626.76 need not be awarded pursuant to 28 U.S.C. § 1920.

Based on the forgoing, Costs are taxed pursuant to 28 U.S.C. § 1920 in the amount of: **$30,542.99.**[2]

Accordingly,

IT IS HEREBY ORDERED that plaintiff's Motion for Attorneys' Fees Pursuant to 35 U.S.C. § 285, [Doc. No. 200], is granted. The amount of attorneys' fees to be awarded will be determined after plaintiff responds to defendant's chronological objections to plaintiff's verified statement of attorneys' fees.

IT IS FURTHER ORDERED that defendant's Motion for Amendment of April 20, 2006 Opinion, Memorandum and Order, [Doc. No. 202], is denied.

IT IS FURTHER ORDERED that defendant's Second Motion for Amendment of April 20, 2006

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[2] This amount is lower than the total amount of costs taxed herein. The Court is uncertain as to how Monsanto arrived at this amount, however, in light of the fact that it is lower than the total amount requested, less those items Monsanto voluntarily abandoned, the Court will tax costs in the amount Monsanto requests in its Reply to the objections.

Opinion, Memorandum and Order, [Doc. No. 212], is denied.

IT IS FURTHER ORDERED that plaintiffs' Motion for Prejudgment Interest, [Doc. No. 203], is granted.

IT IS FURTHER ORDERED that plaintiffs' Motion for Treble Damages Pursuant to 35 U.S.C. § 284, [Doc. No. 206] is granted to the extent that plaintiff is awarded enhanced damages in the amount of $10,000 additional damages.

IT IS FURTHER ORDERED that plaintiffs' Motion for Bill of Costs, [Doc. No. 208], is granted. Costs are taxed in the amount of $30,542.99, pursuant to 28 U.S.C. § 1920.

IT IS FURTHER ORDERED that defendant's Rule 59(e) Motion to Alter or Amend Award of Contract Attorneys' Fees and Costs in April 20, 2006 Opinion, Memorandum and Order, [Doc. No. 241], is denied.

Dated this 25th day of July, 2006.

/s/
HENRY EDWARD AUTREY
UNITED STATES DISTRICT JUDGE

APPENDIX E

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Case No. 4:04CV425 HEA

[Filed April 20, 2006]

MONSANTO COMPANY and	)
MONSANTO TECHNOLOGY LLC	)
Plaintiffs,	)
	)
vs.	)
	)
LOREN DAVID,	)
Defendant.	)
	)

OPINION, MEMORANDUM AND ORDER

A bench trial in this matter took place from February 13, 2006 through February 21, 2006. From the evidence adduced at trial, the Court makes the following findings of fact and conclusions of law.

Findings of Fact

Plaintiff Monsanto Company is a company organized and existing under the laws of the State of Delaware with its principal place of business in St.

Louis, Missouri. Plaintiff Monsanto Technology LLC is a subsidiary of Monsanto and is a holding company for its intellectual property.[1] Monsanto is in the business of developing, manufacturing, licensing and selling agricultural biotechnology, agricultural chemicals, and other agricultural products Monsanto developed and sells Roundup branded herbicides. The active ingredient in Roundup brand herbicides and similar non-selective herbicides is glyphosate. Roundup brand herbicides and their generic counterparts are referred to as "glyphosate-based herbicides." A "non-selective herbicide" means that it will kill all types of plants, whether the plant is a weed, soybean plant, or any other type of plant. In addition to glyphosate-based herbicides, there are also a variety of non-glyphosate-based herbicides or "conventional" herbicides available to farmers.

Monsanto developed new plant biotechnologies, one of which is marketed by Monsanto as Roundup Ready brand crop seed. Roundup Ready technology, also called the Roundup Ready trait, has been utilized in several agricultural crops, including soybean seed. On October 4, 1994, the 5,352,605 patent (the '605 patent) was issued and assigned to Monsanto for an invention of Chimeric Genes for Transforming Plant Cells Using Viral Promoters, and since that date, Monsanto has been and continues to be, the owner of the '605 patent. This invention is in the fields of biotechnology and plant biology and genetics. One or more of the claims of the '605 patent encompass Roundup Ready soybean

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[1] Plaintiffs will be collectively referred to as "Monsanto" throughout this Memorandum and Order.

seeds and plants grown therefrom. All Roundup Ready soybean seeds and plants contain the chimeric gene described in claim 1 of the '605 patent. All Roundup Ready soybean seeds and plants contain the chimeric gene described in claim 2 of the '605 patent. The Roundup Ready trait causes crops grown from Roundup Ready seed to be resistant to Roundup brand and similar glyphosate-based herbicides. Soybean plants grown from seed which do not have the Roundup Ready trait will die if Roundup brand or similar glyphosate-based herbicides are sprayed over the top of such soybean plants.

Monsanto placed the required statutory notice that its Roundup Ready biotechnology was patented on the labeling of all commercial bags containing Roundup Ready soybean seed. Monsanto would not negotiate a license with growers that would permit the grower to make unlimited use of the Roundup Ready technology.

Roundup Ready soybean seed is popular among farmers. More than ninety percent (90%) of soybean acres in the United States are planted with soybean seed containing the Roundup Ready trait.

Defendant is an individual who has attained the age of majority and is a resident and domiciliary of the State of North Dakota. He is a commercial grower of, among other things, soybeans and corn. Defendant has conducted farming operations involving soybeans and corn for many years, including the years 2002 through the present. He farms these crops in Richland and Sargent Counties, North Dakota along with Robert and Marshall Counties, South Dakota. Additionally, defendant owns acreage in Barnes and Stustsman

Counties, North Dakota along with Covington and Grant Counties, South Dakota and Beltrami County, Minnesota. This remaining acreage is farmed by defendant to crops other than soybeans or corn, rented to other farmers, or enrolled in one or more Conservation Reserve Programs, in which case, defendant receives compensation from the government in exchange for not farming this acreage.

Defendant executed a Monsanto Technology Agreement on May 3, 1999. This Agreement states, *inter alia*, that defendant agreed to use the seed containing Monsanto gene technology solely for planting a single commercial crop. He further agreed to not supply any of this seed to any other person or entity for planting, and not to save any crop produced from the seed for replanting, or supply saved seed to anyone for replanting. Defendant knew that soybean seed containing Monsanto's patented Roundup Ready biotechnology could not be saved and replanted and that the harvest from newly purchased Roundup Ready soybean seed must be sold as a commodity prior to 2003.

Defendant provides planting dates for his crops as a part of his application for crop insurance. The final planting dates, which were provided by defendant, reflected on the crop insurance records were listed as defendant having finished planting his soybean acreage on May 6, 2003, with the exception of a single 116 acre filed planted on May 26, 2003.

In 2003, defendant planted both newly purchased Roundup Ready soybean seed and soybean seed that had been saved from a prior year's harvest. These

saved seeds were stored in one or more of defendant's grain bins. Defendant purchased 1,638 fifty pound units of Roundup Ready soybean seed in 2003.

In 2003, defendant purchased 1,100 gallons of glyphosate-based herbicides.

Sampling of defendant's soybean plant material, including soybean seed pods, remaining in defendant's 2003 soybean fields was conducted on April 23 and 24, 2004 by Agricultural Sampling Services. Dr. Koppatschek and his sampling team conducted tests on these samples. These tests were performed according to Standard Operating Procedures, which were developed to provide a meaningful basis to provide statistically reliable inferences about what is contained in a particular field based upon sampling that is conducted. The Standard Operating Procedures have been reviewed and audited by the United States Environmental Protection Agency. These tests confirmed the presence of the Roundup Ready trait in all of the samples collected and tested.

The samples were forwarded by Dr. Koppatschek's sampling team to Monsanto's laboratory for independent testing. The results of these tests confirmed the presence of the Roundup Ready trait in all field samples. The results conclusively demonstrate that all of defendant's 2003 soybean acreage was planted with Roundup Ready soybean seed.

Defendant testified that he purchased Roundup Ready soybean seed from Red River Grain prior to May 31, 2003, and that the 993 units of seeds were planted prior to May 31, 2003. The Court finds this testimony

unreliable. The testimony of Jennifer Wulfekuhle, office manager for Red River Grain, establishes that she wrote an invoice for the purchase of 993 units of Roundup Ready soybean seed to defendant on May 31, 2003. The invoice for this seed is dated May 31, 2003. Defendant's attempt to explain away the date is unpersuasive. Defendant's self serving explanation does not overcome the unbiased testimony and documentation from Red River Grain. This purchase occurred after defendant had finished planting all of his fields.

Defendant's purchase of 1,100 gallons of glyphosate based herbicides in 2003 is consistent with the planting of Roundup Ready soybeans. Defendant claims to have purchased conventional herbicides on May 17, 2003 in the amount of $17,009.00 from Benes Service. However, the invoice copy dated May 17, 2003 is too "coincidental" to the invoice dated May 17, 2004 in the exact same amount to be credible, particularly in light of the lack of production of the original. The Court finds defendant's explanation of the circumstances surrounding his claimed purchase of conventional herbicides on May 17, 2003 not believable.

Throughout the course of this litigation, defendant has varied his claims regarding his soybean planting in 2003. He has testified that he planted the perimeters of his fields with Roundup Ready soybeans. He has testified that he planted conventional seed on some fields. He had testified that he planted all newly purchased Roundup Ready seed in 2003. These inconsistencies demonstrate defendant's unreliability.

Defendant has failed to overcome the documentation and results of scientific testing which establish that his 2003 soybean crops were planted with Roundup Ready soybean seed. He has failed to overcome the unbiased documentation evidence he purchased insufficient quantities of Roundup Ready seed in 2003 to plant his entire crop with new seed.

Various testimony was presented regarding how much seed was planted and how many acres were planted in 2003. Defendant testified at different times to different amounts of seed and different amounts of acreage. There are no absolutely ascertainable numbers from which the Court can determine the exact amount of seed used, nor the exact amount of land planted with Roundup Ready soybean seed. The Court, therefore will average the minimum and maximum. The range of acreage planted was from 2,172 to 2,272. Thus the average total acreage planted in 2003 was 2,222 acres. Testimony established that defendant planted seed at rates of between 95 pounds per acre to 120 pounds per acre. The average of these rates is 107.5 pounds per acre. If we multiply 2,222 acres by 107.5 pounds per acre and then divide the result by 50 pounds per unit we achieve 4,755 fifty pound units.[2] Defendant purchased 645 fifty pound units of Roundup Ready soybean seed in 2003. With that figure in mind, 4,755 minus 645 units equals 4,110 units of infringing soybean seed.

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[2] The number is actually 4,755.18 fifty pound units. The Court, for practical purposes has rounded the number to 4,755.

Defendant signed the license agreement which prohibited him from saving and planting the saved seed. Further, he acknowledged that he was aware that he was so prohibited. His replanting of the saved seed therefore was clearly willful.

Conclusions of Law

The use of a patented product without authority is patent infringement. 35 U.S.C. § 271(a). This section provides, "whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States. . .during the term of the patent therefor, infringes the patent." This provision is clear and unambiguous. In cases construing the '605 patent, courts have consistently found that planting saved Roundup Ready soybean seeds constitutes infringement of the patent. *Monsanto v. McFarling*, 363 F.3d 1336 (Fed. Cir. 2004)(affirming district court's grant of summary judgment on the issue); *Monsanto v. Ralph*, 382 F.3d 1374 (Fed.Cir. 2004); *Monsanto v. Scruggs*, 342 F.Supp. 584, 593-597 (N.D. Miss. 2004).

Defendant's reliance on *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred International, Inc.*, 534 U.S. 124 (2002) and the Plant Variety Protection Act of 1970 in support of his position that he is not subject to plaintiff's claim for infringement is clearly misplaced and unavailing. In *Monsanto v. McFarling*, decided subsequent to *J.E.M.*, the Federal Circuit rejected the possibility that the PVPA preempted an infringement claim. "[T]he right to save seed of plants registered under the PVPA does not impart the right to save seed of plants patented under the Patent Act." *McFarling*,

302 F.3d at 1298-99. See also, *Monsanto v. McFarling*, 363 F.3d 1336 (Fed. Cir. 2004); *Monsanto v. Swann*, 308 F.Supp.2d at 946, *Monsanto v. Good*, 2004 WL 1664013 (D.N.J. 2004); *Monsanto v. Scruggs*, 249 F.Supp.2d 746.

Furthermore, defendant's other arguments have been rejected. Regarding the patent's lack of reference to "seeds" or "plants" has likewise been rejected. See, *Monsanto v. Scruggs*, 342 F.Supp 2d 584, 597 (N.D. Miss. 2004). The *Scruggs* Court also rejected defendant's argument that the patents comply with the written description requirement of 35 U.S.C. § 112. *Id* at 600-601. Encompassed within this finding was the *Scruggs* Court's rejection of defendant's argument that a "deposit" of biological material was required by the written description requirement. *Id*.

Defendant's attempt to avoid a finding of infringement based on the argument that the compositions of matter claimed in the '605 patent are patentable subject matter only in their purified and isolated state is also without merit. The patent claims chimeric, *i.e.*, man-made genes, not genes that naturally occur. The "isolated and purified" requirement therefore does not apply. *Monsanto v. Good*, 2004 WL 1664013, at *5.

Patent infringement damages are warranted pursuant to 35 U.S.C. § 284. This section provides: "upon the finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement but in no event less than a reasonable royalty for the use of the invention by the

infringer, together with interest and costs as fixed by the court." 35 U.S.C. § 284.

Both parties have submitted expert testimony regarding what a reasonable royalty should be in this matter.[3] As the *Ralph* Court held

> [defendant's] suggestion that the Technology Fee is an established royalty for the use that he made of the seed can be rejected as unsound. One of the most fundamental tenets of patent law is that a patent gives its owner the right to exclude others from making, using, selling, offering to sell, or importing the patented subject matter. 35 U.S.C. § 271 (2000). If the patent owner chooses not to totally exclude others, he or she may negotiate with a potential licensee to permit the licensee to make, use, sell, or import the patented subject matter under whatever terms the parties agree upon. Monsanto has chosen, as is its prerogative, to permit farmers to plant a commercial crop of the patented seeds in a single season in exchange for payment of the Technology Fee and a promise, manifested through the Technology Agreement, not to save those seeds

---

[3] Monsanto filed motions in limine to exclude defendant's experts. In light of the fact that this matter was before the Court and not a jury, the Court's gatekeeper function under Rule 702 of the Federal Rules of Civil Procedure and *Daubert v. Merrill Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993), was not required with respect to these experts. The Court, in considering all experts in this case remained cognizant of the role and function of experts as defined in Rule 702 and *Daubert*.

that are harvested at the end of the growing season for replanting production, sale, or transfer to others. The Technology Fee is a royalty, to be sure, but it is a royalty for only a narrow, contractually agreed-upon, use of the seed. It is undisputed in the record that Monsanto has not grated licenses to anyone to plant, produce, or transfer saved seed. The Technology Fee is therefore not an established royalty for planting or transferring saved seed, the uses that [defendant] made of the patented invention.

[Defendant] argues that no same farmer would ever negotiate a royalty in excess of his anticipated profits. However, although an infringer's anticipated profit from use of the patented invention is "[a]mong the factors to be considered in determining" a reasonable royalty, *see Georgia-Pacific* 318 F.Supp. At 1120, the law does not require that an infringer be permitted to make a profit. And, where, as here, a patentee is unwilling to grant an unlimited license, the hypothetical negotiation process has its limits. As we explained in *Del Mar Avionics, Inc. v. Quinton Instrument Co.*, 836 F.2d 1320 (Fed Cir. 1987), the "imposition on a patent owner who would not have licensed his invention for [a given] royalty is a form of compulsory license, against the will and interest of the person wronged, in favor of the wrongdoer." *Id.* at 1328; *see also Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 n. 13 (Fed.Cir. 1995) ("the hypothetical negotiation is often referred to as a 'willing licensor/willing licensee'

> negotiation. However, this is an inaccurate, and even absurd, characterization when, as her the patentee does not wish to grant a license."). Just as [defendant] asserts that he would never pay Monsanto such a royalty just to be able to save seed for replanting or transfer, Monsanto would apparently never permit [defendant] to save seed for replanting or transfer at any price.

Ralph, 382 F.3d at 1383-84.

Infringing use of Monsanto's patented Roundup Ready soybean confers substantial benefits on the infringer and places risk on Monsanto as the patent holder for the invention. As such, Monsanto is entitled to a reasonable royalty of $55.04/bag. This figure is based upon the expert testimony presented, the actions taken subsequent to Monsanto's investigations and the Federal Circuit's conclusion in *Ralph* that this amount is not excessive. The Court therefore finds that Monsanto is entitled to 2,222 acres of soybean seed at a rate of 107.5 pounds per acre. Therefore, a total of 4,110 pounds of infringing seed multiplied by 55.04 per bag results in a reasonable royalty of $226,214.40.

Because the Court has found that defendant knowingly planted saved Roundup Ready soybean seed during the 2003 crop year, he is also liable for breach of the licensing agreement. Defendant voluntarily signed the Technology Agreement at issue. In that agreement, he agreed not to save seed. Monsanto is therefore entitled to judgment as a matter of law. Under the contract, defendant agreed that the technology provider, Monsanto, is entitled to recover

its full amount of legal fees and other costs of enforcing the agreement.

Accordingly,

IT IS HEREBY ORDERED that Monsanto is awarded a reasonable royalty for defendant's knowing infringement of Monsanto's patent in the amount of $226,214.40.

IT IS FURTHER ORDERED that Monsanto is entitled to recover its legal fees and other costs of enforcing the agreement.

IT IS FURTHER ORDERED that Monsanto's Motions in Limine, [Doc. No's. 111, and 120], are denied as moot.

IT IS FURTHER ORDERED that judgment will be entered upon the resolution of all remaining issues.

Dated this 20th day of April, 2006.

/s/
HENRY EDWARD AUTREY
UNITED STATES DISTRICT JUDGE

APPENDIX F

DAY 1

COURTROOM MINUTE SHEET - CIVIL

DATE: 2/13/06

CASE NO.: 4:04CV425 HEA

JUDGE: H.E. AUTREY

COURT REPORTER: A. Daley/ L. Shruin

Monsanto Company et al v. David

ATTORNEY () for Pltf (): Joseph Orlet; Matthew Grant; Adam Miller

ATTORNEY () for Dft (): Bruce Johnson

(x) Parties present for (JURY/NON-JURY) trial.
() Jury empaneled and sworn.

(x) Opening statements of (x) Pltf / (x) Dft made.

(x) Pltf evidence commenced / resumed
and / but not concluded.

* * *

(x) Proceedings to continue tomorrow / Monday at 9:30 a.m. / p.m.

(x) Mtns hrd/Argued; Ruled per HEA as follows: Mtn #89 (Denied); Mtn #113 (Denied w/o prejudice); Mtn #114 (Denied as Moot); Mtn #118 (Denied as Moot); Mtn #123 (Denied w/o Prejudice)

COURT TIME 9:55 am to 5:35 pm

Lunch Break 12:40 pm to 1:30 pm

DEPUTY CLERK: M. Mosley

APPENDIX G

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

No. 2007-1104

[Filed April 14, 2008]

MONSANTO COMPANY, Plaintiff-Appellee,	)
and	)
MONSANTO TECHNOLOGY LLC, Plaintiff-Appellee,	)
v.	)
LOREN DAVID, Defendant-Appellant.	)

ORDER

A petition for rehearing en banc having been filed by the Appellant, and the matter having been referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on April 21, 2008.

FOR THE COURT,

/s/ Jan Horbaly /JB
Jan Horbaly
Clerk

Date: 04/14/2008

cc: Bruce E. Johnson
Seth P. Waxman

MONSANTO COMPANY V DAVID, 2007-1104
(DCT - 4:04-CV-425)

APPENDIX H

7 U.S.C. § 2321

2321. Establishment

There is hereby established in the Department of Agriculture an office to be known as the Plant Variety Protection Office, which shall have the functions set forth in this chapter.

7 U.S.C. § 2401

2401. Definitions and rules of construction

(a) Definitions

As used in this chapter:

(1) Basic seed

The term "basic seed" means the seed planted to produce certified or commercial seed.

(2) Breeder

The term "breeder" means the person who directs the final breeding creating a variety or who discovers and develops a variety. If the actions are conducted by an agent on behalf of a principal, the principal, rather than the agent, shall be considered the breeder. The term does not include a person who redevelops or

rediscovers a variety the existence of which is publicly known or a matter of common knowledge.

(3) Essentially derived variety

(A) In general

The term "essentially derived variety" means a variety that –

(i) is predominantly derived from another variety (referred to in this paragraph as the "initial variety") or from a variety that is predominantly derived from the initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety;

(ii) is clearly distinguishable from the initial variety; and

(iii) except, for differences that result from the act of derivation, conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.

(B) Methods

An essentially derived variety may be obtained by the selection of a natural or induced mutant or of a somaclonal variant, the selection of a variant individual from plants of the initial variety, backcrossing, transformation by genetic engineering, or other method.

(4) Kind

The term "kind" means one or more related species or subspecies singly or collectively known by one common name, such as soybean, flax, or radish.

(5) Seed

The term "seed", with respect to a tuber propagated variety, means the tuber or the part of the tuber used for propagation.

(6) Sexually reproduced

The term "sexually reproduced" includes any production of a variety by seed, but does not include the production of a variety by tuber propagation.

(7) Tuber propagated

The term "tuber propagated" means propagated by a tuber or a part of a tuber.

(8) United States

The terms "United States" and "this country" mean the United States, the territories and possessions of the United States, and the Commonwealth of Puerto Rico.

(9) Variety

The term "variety" means a plant grouping within a single Botanical taxon of the lowest known rank, that, without regard to whether the conditions for

plant variety protection are fully met, can be defined by the expression of the characteristics resulting from a given genotype or combination of genotypes, distinguished from any other plant grouping by the expression of at least one characteristic and considered as a unit with regard to the suitability of the plant grouping for being propagated unchanged. A variety may be represented by seed, transplants, plants, tubers, tissue culture plantlets, and other matter.

* * * *

7 U.S.C. § 2422

2422. Content of application

An application for a certificate recognizing plant variety rights shall contain:

(1) The name of the variety except that a temporary designation will suffice until the certificate is to be issued. The variety shall be named in accordance with regulations issued by the Secretary.

(2) A description of the variety setting forth its distinctiveness, uniformity, and stability and a description of the genealogy and breeding procedure, when known. The Secretary may require amplification, including the submission of adequate photographs or drawings or plant specimens, if the description is not adequate or as complete as is reasonably possible, and submission of records or proof of ownership or of allegations made in the application . . . .

7 U.S.C. § 2543

2543. Right to save seed; crop exemption

Except to the extent that such action may constitute an infringement under subsections (3) and (4) of section 2541 of this title, it shall not infringe any right hereunder for a person to save seed produced by the person from seed obtained, or descended from seed obtained, by authority of the owner of the variety for seeding purposes and use such saved seed in the production of a crop for use on the farm of the person, or for sale as provided in this section. A bona fide sale for other than reproductive purposes, made in channels usual for such other purposes, of seed produced on a farm either from seed obtained by authority of the owner for seeding purposes or from seed produced by descent on such farm from seed obtained by authority sf the owner for seeding purposes shall not constitute an infringement. A purchaser who diverts seed from such channels to seeding purposes shall be deemed to have notice under section 2567 of this title that the actions of the purchaser constitute and infringement.

7 U.S.C. § 2544

2544. Research exemption

The use and reproduction of a protected variety for plant breeding or other bona fide research shall not constitute an infringement of the protection provided under this chapter.

35 U.S.C. § 101

101. Inventions patentable

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

35 U.S.C. § 112

112. Specification

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

* * * *

35 U.S.C. § 161

161. Patents for plants

Whoever invents or discovers and asexually reproduces any distinct and new variety of plant, including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuber propagated plant or a plant found in an uncultivated state, may obtain a patent therefor, subject to the conditions and requirements of this title.

The provisions of this title relating to patents for inventions shall apply to patents for plants, except as otherwise provided.

35 U.S.C. § 162

162. Description, claim

No plant patent shall be declared invalid for noncompliance with section 112 of this title if the description is as complete as is reasonably possible.

The claim in the specification shall be in formal terms to the plant shown and described.

35 U.S.C. § 163

163. Grant

In the case of a plant patent, the grant shall include the right to exclude others from asexually reproducing the plant, and from using, offering for sale, or selling the plant so reproduced, or any of its

parts, throughout the United States, or from importing the plant so reproduced, or any parts thereof, into the United States.

35 U.S.C. § 164

164. Assistance of Department of Agriculture

The President may by Executive order direct the Secretary of Agriculture, in accordance with the requests of the Director, for the purpose of carrying into effect the provisions of this title with respect to plants (1) to furnish available information of the Department of Agriculture, (2) to conduct through the appropriate bureau or division of the Department research upon special problems, or (3) to detail to the Director officers and employees of the Department.

35 U.S.C. § 284

§ 284. Damages

Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed. Increased damages under this paragraph shall not apply to provisional rights under section 154(d) of this title.

The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.

35 U.S.C. § 285

§ 285. Attorney fees

The court in exceptional cases may award reasonable attorney fees to the prevailing party.

Federal Rule of Evidence 702. Testimony by Experts

If scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training, or education, may testify thereto in the form of an opinion or otherwise, if (1) the testimony is based upon sufficient facts or data, (2) the testimony is the product of reliable principles and methods, and (3) the witness has applied the principles and methods reliably to the facts of the case.

Federal Rule of Evidence 703. Bases of Testimony by Experts

The facts or data in the particular case upon which an expert bases an opinion or inference may be those perceived by or made known to the expert at or before the hearing. If of a type reasonably relied upon by experts in the particular field in forming opinions or inferences upon the subject, the facts or data need not be admissible in evidence in order for the opinion or inference to be admitted. Facts or data that are otherwise inadmissible shall not be disclosed to the jury by the proponent of the opinion or inference unless the court determines that their probative value in assisting the jury to evaluate the expert's opinion substantially outweighs their prejudicial effect.

Federal Rule of Evidence 803. Hearsay Exceptions; Availability of Declarant Immaterial

The following are not excluded by the hearsay rule, even though the declarant is available as a witness:

* * * *

(6) **Records of Regularly Conducted Activity.** -- A memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses, made at or near the time by, or from information transmitted by, a person with knowledge, if kept in the course of a regularly conducted business activity, and if it was the regular practice of that business activity to make the memorandum, report, record or data compilation, all as shown by the testimony of the custodian or other qualified witness, or by certification that complies with Rule 902(11), Rule 902(12), or a statute permitting certification, unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness. The term "business" as used in this paragraph includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit.

APPENDIX I

Fritz Koppatschek Expert Report
Trial Exhibit 358

Report Date: 9/01/04 Project Code: 10791-04-11

David Farms Final Sampling Report

Situation

Field sampling was conducted on Loren David Farms on April 23, and 24, 2004 when Agricultural Sampling Services sampled approximately 2106.5 soybean acres. Present during sampling were Shawn Bainbridge, Clayton Kinsler, Fritz Koppatschek, Bob Royer, and Jared Alsdorf of Ag Sampling Services. Samples were taken from the 2003 soybean crop. Sampling began at approximately 8:00 a.m. on the 23rd and concluded at approximately 9:00 a.m. on the 24th.

Fields Sampled

Standard Ag Sampling Services procedures were used to sample the fields. The acres sampled were divided into the following fields.

[Table omitted in this appendix]

Fields not Identified to Ag Sampling Service

At the time of sampling, Mr. And Mrs. David identified fields to Ag Sampling Service personnel. After review of USDA Farm Service Agency records it was discovered that they did not identify the following fields for sampling.

[Table omitted in this appendix]

Lab Analysis

After reviewing lab results, all soybean fields sampled tested positive for the CP4 EPSPS protein associated with the Roundup Ready gene. These fields totaled 2106.5 acres.

Chain of Custody

All samples were stored and locked in the Ag Sampling trailers. Samples were transferred to BioLab Solutions.

Additional Information

The camcorder tape and field description forms used are in the possession of Ag Sampling Services.

Attachments

- Agricultural Sampling Services standard Operating Procedure
- BioLab Solutions Report
- Vitae of Fritz Koppatschek

Previous Depositions / Testimony by Fritz Koppatschek

- Monsanto vs. Ray Dawson October 1999
- Monsanto vs. Paul Mayfield January 2000
- Monsanto vs. Mitchell Scruggs January 2001
- Monsanto vs. Homan McFarling April 2001
- River Springs vs. Sandoz May 2001
- Monsanto vs. Dean Ford March 2004

Compensation

Field sampling is billed at $8-16 per acre. Expert witness fees are billed at $125 per hour.

/s/ _____ 9/2/04

Fritz Koppatschek Ph.D.

CONFIDENTIAL

ELISA Analysis for CP4 EPSPS
Project Number: 10791-04-11
Grower: David (ND)
Report Date: May 17, 2004

Sample Characteristics

Sampled By: Ag Sampling Services

Laboratory Analyst: Brian Ojala

Lab Received Date: 4/24/04

Extractions: Allison Gast

Crop: Soybean

Lab Extraction Dates(s) 4/30, 5/3, 5/4, & 5/5/04

Tissue Type: Seed

ELISA Analysis Date(s): 5/3 & 5/17/04

Sample Numbers

Sample numbers are assigned by Ag Sampling Services and labeled according to the following format:

Field # - Sample #

Summary of Sample Preparation and Extraction For CP4 EPSPS ELISA Analysis

Soybean Seed Sample Preparation & Extraction

The extraction was performed as described in SOP ANA 01: "Procedure for Extraction and ELISA Analysis of CP4 EPSPS in Soybean Tissue." Seed samples were stored at ambient room temperature until processed. Three seeds from each sample bag were randomly selected for analysis. The seeds were crushed into fine particles using a mortar and pestle. Each seed sample was extracted using a tissue to buffer ratio of 1 mg: 100 µL, where the buffer is 1X PBS-0.5% Tween 20. Seed extracts were homogenized using a Geno/Grinder 2000 for 3 minutes at approximately 1,500 strokes per minute and then centrifuged at 4 °C for 10 minutes at 10,000 rpm. Seed extracts were stored at -20°C until analyzed.

The QC positive was taken from Roundup Ready® soybean seen by DeKalb (brand DKB36-51/variety 03544870. The QC negative was taken from nontransgenic soybean seeds by Asgrow (variety A3244).

CP4 EPSPS ELISA Analysis

The analytical procedure is a direct sandwich ELISA using horseradish peroxidase conjugate, SOP ANA1 was followed. Samples, CP4 EPSPS protein standards, buffer blanks, and QC samples were all loaded in triplicate on the microplate at 50 µL per well. The conjugate (Sigma® Anti-Protein 4 Peroxidase Conjugate, diluted to a final concentration of 1:3000 with 1X PBS / 0.05% Tween buffer) was loaded at 100 µL per well. The substrate used was 3,3',5,5'-tetramethylbenzidine (TMB). Soybean seed samples with positive control ratios greater or equal to 0.4 are considered positive for CP4 EPSPS protein

Soybean Seed – CP4 EPSPS ELISA Results:

Sample #	ELISA Result	Sample #	ELISA Result
1-4	(+) Positive	5-19	(+) Positive
1-7	(+) Positive	5-25	(+) Positive
1-13	(+) Positive	5-28	(+) Positive
1-17	(+) Positive	6-6	(+) Positive
1-20	(+) Positive	6-8	(+) Positive
1-22	(+) Positive	6-9	(+) Positive
1-25	(+) Positive	6-14	(+) Positive
1-29	(+) Positive	6-17	(+) Positive

2-3	(+) Positive	6-22	(+) Positive
2-8	(+) Positive	6-28	(+) Positive
2-10	(+) Positive	6-30	(+) Positive
2-16	(+) Positive	7-1	(+) Positive
2-20	(+) Positive	7-5	(+) Positive
2-21	(+) Positive	7-9	(+) Positive
2-25	(+) Positive	7-11	(+) Positive
2-31	(+) Positive	7-13	(+) Positive
3-5	(+) Positive	7-18	(+) Positive
3-6	(+) Positive	7-24	(+) Positive
4-1	(+) Positive	7-27	(+) Positive
4-3	(+) Positive	7-33	(+) Positive
4-10	(+) Positive	8-5	(+) Positive
4-13	(+) Positive	8-9	(+) Positive
4-18	(+) Positive	8-13	(+) Positive
4-23	(+) Positive	8-15	(+) Positive
4-27	(+) Positive	8-18	(+) Positive
4-30	(+) Positive	8-21	(+) Positive
5-1	(+) Positive	8-30	(+) Positive
5-7	(+) Positive	8-32	(+) Positive
5-10	(+) Positive	9-1	(+) Positive

5-12	(+) Positive	9-6	(+) Positive
5-15	(+) Positive	9-11	(+) Positive

Soybean Seed – CP4 EPSPS ELISA Results (continued):

Sample #	ELISA Result	Sample #	ELISA Result
9-13	(+) Positive	15-4	(+) Positive
9-19	(+) Positive	15-9	(+) Positive
9-22	(+) Positive	15-15	(+) Positive
9-25	(+) Positive	15-17	(+) Positive
9-30	(+) Positive	15-20	(+) Positive
10-6	(+) Positive	15-21	(+) Positive
10-9	(+) Positive	15-24	(+) Positive
10-11	(+) Positive	15-29	(+) Positive
10-14	(+) Positive	15-31	(+) Positive
11-1	(+) Positive	15-37	(+) Positive
11-2	(+) Positive	15-38	(+) Positive
13-2	(+) Positive	15-46	(+) Positive
31-8	(+) Positive	15-52	(+) Positive
13-9	(+) Positive	16-2	(+) Positive
13-11	(+) Positive	16-4	(+) Positive

13-13	(+) Positive	16-11	(+) Positive
13-18	(+) Positive	16-16	(+) Positive
13-24	(+) Positive	16-19	(+) Positive
14-2	(+) Positive	16-23	(+) Positive
14-4	(+) Positive	16-29	(+) Positive
14-10	(+) Positive	16-31	(+) Positive
14-11	(+) Positive	16-35	(+) Positive
14-13	(+) Positive	16-39	(+) Positive
14-21	(+) Positive	17-1	(+) Positive
14-27	(+) Positive	17-5	(+) Positive
14-29	(+) Positive	17-10	(+) Positive
15-2	(+) Positive	17-12	(+) Positive